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LB 664

mentioned that one of those school districts was Ralston. That is incorrect. Ralston has never left the teachers' alliance pool. They're still there. What Ralston had done was changed their deductible and their benefits within, so they're still a member of the teachers' pool; they've just changed the benefits. And when Senator Landis mentioned that this is a benefit rich pool he's exactly right, but school districts, which are subgroups within the teachers' alliance pool, have the autonomy to change the benefits in the way that they want. If they want a higher deductible, they can do that. If they want a higher stop loss limit, they can do that. If they want to add certain types of coverage to their insurance, they can do that. Any school district who is a submember of the teachers' alliance can change the benefits as they see fit and that's what they did in Ralston. They did not leave the pool. They changed their benefits, just like anybody can do. This pool, the teachers' alliance pool, is not mandatory. Anybody is free to come and go as they see fit. It's done all the time. We saw Millard leave. Now they want to come back because they have had higher rate increases. One thing I wanted to point out, when you read the green copy of the bill we're talking about instability and that and I want to tell you how important this is. If you read the green copy, on the bottom of page 6 it says, "no risk management pool organized pursuant to the Intergovernmental Risk Management Act," which is the act that LB 664 amends, "shall be a member of the Nebraska Life and Health Insurance Guaranty Association". What the Nebraska Life and Health Insurance Guaranty Association is, is a group; is basically when an insurer goes bankrupt in this state...

PRESIDENT MAURSTAD: One minute.

SENATOR BOURNE: ...the Nebraska Life and Health Insurance Guaranty Association steps in and pays the claims for the members of that group. So what we have is we have Blue Cross and Blue Shield who are members of the Nebraska Life and Health Insurance Guaranty Association, but this new pool would not be. So if this new pool came out and two cities formed it and had financial problems, they would not be covered by the Nebraska Life and Health Insurance Guaranty Association. So who would make up the difference if that pool failed? The taxpayers. So